



OFFICE OF THE CLERK/TREASURER

City of Burlington

City Hall, Room 20, 149 Church Street, Burlington, VT 05401

Voice (802) 865-7000

Fax (802) 865-7014

TTY (802) 865-7142

BOARD OF FINANCE

APRIL 16, 2012

MINUTES

PRESENT: Mayor Weinberger, City Council President Shannon, Councilors Bushor, Decelles and Paul.

ALSO PRESENT: Interim CAO Sisson, ACAO Schrader

1. Agenda

Councilor Bushor inquired if there was an item from the Parks Department regarding work on the Miller Center. Mayor Weinberger stated that there was no one present to speak on that item. Councilor Bushor stated she would like to keep that project on the proposed timeline. Mayor Weinberger stated there may have been a change to their plans. Councilor Paul stated that item was approved last meeting and there may be additional changes. Councilor Bushor stated if that was ready for the next agenda she would like to see it come forward.

City Council President Shannon and Councilor Paul made a motion to approve the agenda as presented. The motion passed unanimously.

2. Public Forum

Councilor Paul explained the policy of the former Mayor for the Public Forum.

No one came forward to speak.

3. Budget Development Discussion

Mayor Weinberger stated the administration had had two weeks to meet with the large departments: Police, Fire, DPW, and Parks. The Assistant CAOs, department heads and some members of their commissions were also present. The big question was whether or not a tax increase was necessary. That decision had not yet been made, although there were only a few weeks left to make that judgment. The budget included projections for interest being paid from Burlington Telecom, but that was before a settlement was discussed. That discussion was going in the right direction. At the next meeting, there would be a clearer picture.

Councilor Paul inquired if discussions had been about the General Fund budget. Mayor Weinberger stated that had been the primary focus. Councilor Paul stated Burlington Telecom was not a part of the General Fund budget. Burlington Telecom revenues have paid interest to the pooled cash. There was now a different debt structure that affected the City's credit rating. She inquired why the number was now higher than \$700,000, given that Burlington Telecom was not affected by the General Fund. Interim CAO Sisson stated they were including interest being

paid to the General Fund on the \$16.9 million. Mayor Weinberger stated the Kiss budget projections included income from BT that would no longer be available. Councilor Paul inquired if that was money being paid to pooled cash. ACAO Schrader stated interest was being paid to the General Fund. Burlington Telecom paid interest throughout the year, but the interest rate varied. When the FY12 budget was created the rate was 4.5%, but it was now 3% and at some points it had been as low as 2%. Because that interest would no longer be available to the General Fund, the budget needed to be adjusted.

Councilor Bushor inquired why the anticipated amount was different. ACAO Schrader stated that what was budgeted in FY12 was no longer accurate because the interest rate went down. Councilor Bushor inquired what was projected for the FY12 budget. ACAO Schrader stated it would have been based on a 4% rate.

Mayor Weinberger stated that the latest date the City Council could discuss tax increase would be May 7. There is a possibility that a special meeting could take place May 14 if a special election was needed.

Councilor Decelles inquired if the worst case scenario would be if a tax increase was needed and May 7th was the last day they could decide. He asked how much of the budget would be covered in the next three meetings to allow them to make that determination. Mayor Weinberger stated the tax increase was a higher level discussion and did not require that each department present its budget. Discussions have been focused on the larger departments. Councilor Decelles then inquired about extra meetings. Mayor Weinberger stated they will reserve Thursdays to allow additional work. In the past, there had typically been meetings each Monday during May to focus on regular business and the budget with additional meetings on Thursdays. He inquired if they were not going to ask for a tax increase, did the Board feel budget presentations from department heads was important.

Councilor Bushor stated before Town Meeting Day there were forecasts as to whether or not there would be shortfalls. She requested to know what changes there would be other than Burlington Telecom and asked for a full forecast highlighting all changes. Regardless of the recommendation, she would like to see the backup material. There should be an opportunity to explore different department budgets. She hopes they will use the Council to explore options. Mayor Weinberger stated that was where they started their work. Interim CAO Sisson stated they would have a report available which would show deviations.

City Council President Shannon inquired if having or not having a tax increase would be entirely up to the Mayor. The Council was allowed to weigh in if he was asking for a tax increase, but inquired if they can request the tax increase themselves. Mayor Weinberger stated if they do want a tax increase the full Council would make that decision. ACAO Schrader stated that question would have to go to the City Attorney, but he believed the City Council could pass a resolution calling for a tax increase and a special election. The Mayor would not be forced to incorporate that revenue in his budget. From a practical standpoint, the Mayor's support would be needed. Mayor Weinberger stated he hoped the Council would work with him as a team on City finances.

Councilor Paul stated in the past there had been proposed budgets given to the Board in advance to help them when coming into the meetings. There had been major changes in how the budget was presented, and she would prefer to look at the object code. It would be helpful to have that in advance with the variance from the year before. If the variance was greater than 5%, an

explanation would be needed. Interim CAO Sisson inquired if there was a dollar amount included in that request. Councilor Paul stated she thought it was \$1,000 but couldn't remember for sure.

4. Board of Finance Meeting Schedule

Councilor Paul stated she couldn't attend a meeting next week because it was school vacation week. Mayor Weinberger stated it was important to have extra meetings. Councilor Bushor inquired about the time of the meetings, stating she had to leave work early to make a 5:00 p.m. meeting. Mayor Weinberger suggested meeting later than 5:00 p.m. Councilor Bushor stated 5:30 p.m. would be better for her. The other Board of Finance members agreed. Mayor Weinberger stated the plan would be to have additional meetings through May and early June.

Mayor Weinberger stated meetings next week would be problematic. The only complication was that there was a need for action on a Burlington Telecom item before the 30th. Interim CAO Sisson stated Burlington Telecom had a proposal to reduce customer service staff by two and hire two residential sales people. The goal would be to increase residential sales. Mayor Weinberger stated this was something they would like to address quickly. Councilor Bushor inquired if the item was ready to be discussed. Interim CAO Sisson stated the General Manager of BT should be present.

Councilor Paul stated, as a rule, it was irritating for Board of Finance members to have agenda items concurrent with City Council meetings, but it was not too bad if they were aware of it ahead of time. Interim CAO Sisson stated they would like to see things come to Board of Finance earlier. Mayor Weinberger stated he appreciated that. Councilor Bushor stated whatever could be put out publically should be put out for the Council to see as early as possible so they were prepared to act on it. City Council President Shannon requested an update during the Mayor's portion of the City Council meeting.

City Councilor Shannon inquired if department heads would be included in discussions about the need for a tax increase. Mayor Weinberger stated if they were not asking for a tax increase, department heads may come in and explain their budgets. If there were a tax increase, it would be after looking very closely at each department only because it would be unavoidable. City Council President Shannon inquired if there would be a meeting with department heads available to answer questions. Mayor Weinberger stated he did not want to conclude there would only be one meeting. There was the possibility of a special meeting. Councilor Bushor inquired if there could be a calendar for everyone to know what the process would look like to propose a tax increase and hold a special election. Mayor Weinberger stated the latest meeting would be May 14, if that vote happened. ACAO Schrader stated the election needed to be noticed 30 days in advance. The practical deadline to present a budget was before the end of June. The deadline to warn an election would be May 14.

Councilor Bushor inquired if there were a tax increase with an election mid-June, would the City then need two budgets with and without the tax increases. ACAO Schrader stated that was correct.

Mayor Weinberger amended the proposed schedule to remove the April 23 meeting. He stated all of the meetings may not be needed. He inquired what people would like for notice if a meeting needed to be cancelled. Councilor Paul stated in the past the agenda has been put out by Fridays.

Councilor Bushor suggested using email if there were a last minute change. ACAO Schrader stated the schedule goes through August because that was how far out the Council meetings were scheduled. He stated ideally that the Board of Finance should be held prior to City Council meetings to avoid concurrency. He stated after budget season the Board would need to determine when the most convenient time to hold meetings would be.

Councilor Decelles stated last year there were many work sessions and it was a rush to get through Board of Finance, Work Sessions and City Council. If there was enough of a workload, it would be preferable to have meetings on weeks where there was not City Council.

Mayor Weinberger adjourned the Board of Finance meeting at 5:43 p.m.